



General Assembly

January Session, 2001

Amendment

LCO No. 8362

Offered by:

REP. FLAHERTY, 8th Dist.

To: Subst. House Bill No. 6791

File No. 737

Cal. No. 492

"AN ACT CONCERNING EMPLOYER-ASSISTED HOUSING."

1 Strike section 1 in its entirety, and insert the following in lieu
2 thereof:

3 "Section 1. Section 12-217p of the general statutes is repealed and the
4 following is substituted in lieu thereof:

5 (a) As used in this section, "business firm" means any business
6 entity authorized to do business in this state and subject to the
7 corporation business tax imposed under this chapter, or any company
8 subject to a tax imposed under chapter 207, any air carrier subject to
9 the air carriers tax imposed under chapter 209, or any railroad
10 company subject to the railroad companies tax imposed under chapter
11 210, or any regulated telecommunications service, express, telegraph,
12 cable or community antenna television company subject to the
13 regulated telecommunications service, express, telegraph, cable and
14 community antenna television companies tax imposed under chapter
15 211, [or] any utility company subject to the utility companies tax
16 imposed under chapter 212, or any S corporation, as defined in

17 subsection (a) of section 12-213.

18 (b) There shall be allowed as a credit against the tax imposed by this
19 chapter or chapter 207, 209, 210, 211 or 212 in any income year an
20 amount equal to the amount paid during such income year by a
21 business firm into a revolving loan fund established to provide loans
22 for housing located in the state for low and moderate income
23 employees of the business firm or any subsidiary thereof. Loans from
24 any such fund shall be spent in this state and used for (1) the cost of
25 housing that is to be a principal residence and falls within one
26 hundred fifty per cent of the price guidelines established for programs
27 administered by the Connecticut Housing Finance Authority,
28 including costs for down payments, mortgage interest rate buy-downs,
29 closing costs and other costs determined to be eligible under written
30 procedures adopted by the Connecticut Housing Finance Authority
31 under subsection (c) of this section, and (2) payments for security
32 deposits and advance payments for rental housing.

33 (c) The Connecticut Housing Finance Authority shall adopt written
34 procedures in accordance with the provisions of section 1-121 for
35 establishment and operation of employer revolving loan funds eligible
36 for the credit provided in this section. Such procedures shall include
37 provisions for employee eligibility and shall specify expenses for
38 which loans may be made and provide the documentation and
39 procedures necessary for a business firm to qualify for the tax credit.

40 (d) Any business firm claiming the credit allowed by this section
41 shall submit documentation to the Commissioner of Revenue Services
42 that the revolving loan fund complies with written procedures for
43 revolving loan funds established by the Connecticut Housing Finance
44 Authority under subsection (c) of this section.

45 (e) Nothing in this section shall be construed to prevent two or more
46 business firms from participating jointly in one or more programs
47 under the provisions of this section. Such joint programs shall be
48 submitted, and acted upon, as a single program by the business firms

49 involved.

50 (f) Any business firm which desires to apply for the credit allowed
51 by this section shall submit the documentation required under
52 subsection (d) of this section to the authority on or before November
53 first of each year. The authority shall randomly select from among all
54 qualified business firms, those firms allowed said credit except that
55 thirty per cent of the credit may be set aside by the authority for
56 business firms that direct the loans provided from the revolving loan
57 funds, in whole or in part, to housing in urban areas. For purposes of
58 this subsection, "urban areas" shall have the same meaning as in
59 subsection (v) of section 8-243. The credit shall be claimed on the tax
60 return for the income year during which the selected business firm
61 made payment into the revolving loan fund. The sum of all tax credit
62 granted pursuant to the provisions of this section shall not exceed one
63 hundred thousand dollars annually per business firm. In no event shall
64 the total amount of all tax credits allowed to all business firms
65 pursuant to the provisions of this section exceed one million dollars in
66 any one fiscal year.

67 (g) No tax credit shall be granted to any bank, bank and trust
68 company, insurance company, trust company, national bank, savings
69 association, or building and loan association or any other business
70 entity for activities that are a part of its normal course of business.

71 (h) (1) Any tax credit not used in the period during which the
72 investment was made may be carried forward or backward for the five
73 immediately succeeding or preceding income years until the full credit
74 has been allowed. For income years commencing on or after January 1,
75 1998, if the Connecticut Housing Finance Authority determines that
76 sixty per cent or more of a revolving loan fund has not been loaned as
77 provided in this section by a business firm on or before the date that is
78 three years after the date that a revolving loan fund is established
79 pursuant to this section by such business firm, the authority shall
80 notify such firm and the commissioner that the authority has
81 determined that sixty per cent or more of the fund has not been loaned

82 as provided in this section, and such firm shall be required to
83 recapture the credits previously granted under this section, to the
84 extent provided for in written procedures of the authority adopted
85 under section 1-121, on the first tax return required to be filed on or
86 after the date of such notice for a tax imposed by this chapter or
87 chapter 207, 209, 210, 210a or 212. If any amount of such recaptured
88 credit has not been paid to the commissioner on or before the due date
89 of such return, such amount shall bear interest at the rate of one per
90 cent per month or fraction thereof from such due date to the date of
91 payment.

92 (2) In the event that the credit was assigned to an assignee as
93 permitted by subsection (i) of this section, the Commissioner of
94 Revenue Services shall recapture from the assignee, pursuant to the
95 provisions of subdivision (1) of this subsection, the credit that was
96 claimed by the assignee. If the commissioner is unable to recapture
97 such credit from the assignee, the commissioner shall recapture such
98 credit from the assignor. If the commissioner is unable to recapture
99 such credit from the assignor, the commissioner shall recapture such
100 credit from the revolving loan fund.

101 (3) The provisions of subdivision (1) of this subsection shall not
102 apply to any business firm that has loaned ninety-five per cent of the
103 original amount in the revolving loan fund not more than five years
104 after the date that such loan fund was established, provided such loan
105 fund was established on or before December 31, 1997.

106 (i) Any business firm allowed a credit under this section may assign
107 such credit to another business firm, provided such other business firm
108 may claim such credit only with respect to a taxable year for which the
109 assignor would have been eligible to claim such credit and such other
110 business firm may not further assign such credit. The assignor shall
111 provide to the Commissioner of Revenue Services such information
112 regarding the assignment as said commissioner may require,
113 including, but not limited to, the amount of the credit assigned, the
114 taxable year for which the credit may be claimed, the assignee's name,

115 address and Connecticut tax registration number."